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TITLE 22—FOREIGN RELATIONS

INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND MEXICO

[Minute No. 165]

RULES AND REGULATIONS FOR THE MAINTENANCE AND PRESERVATION OF THE RIO GRANDE RECTIFICATION PROJECT IN THE EL PASO-JUAREZ VALLEY

CIUDAD JUÁREZ, CHIHUAHUA,
August 13, 1938.

The Commission met at the offices of the Mexican Section in Ciudad Juárez, Chihuahua, at 10:00 A. M., August 13, 1938, for the purpose of formulating regulations to make effective the maintenance and preservation of the rectified channel of the Rio Grande in the El Paso-Juarez Valley, in accordance with the Convention of February 1, 1933, and its annexes.

The Commission reviewed the Convention of February 1, 1933, as well as the maps and reports relating to the construction of the Rio Grande Rectification Project, and now finds and determines:

A. That the rectified channel has been completed throughout its length, in accordance with the provisions of the Convention of February 1, 1933.

B. That the rectified channel occupies a strip of land about 225 meters in width, within which there have been constructed a pilot channel for the normal flow of the river and a floodway formed by the building of levees to either side to carry the flood flows. The levees are generally 180 meters apart, and the remaining strips of land on both sides are partly occupied by the levees and other works and partly unoccupied. The structures built within the rectified channel right of way consist of bridges, grade controls and gaging stations extending across the floodway, and culverts through the levees. Additional structures of similar types may be built in the future.

C. That the required maintenance and preservation of the rectified channel will include the following items:

1. An annual clearing of the entire right of way to insure a continued maximum flood-flow capacity;
2. The replacement of material in levees and groins which may be eroded by the action of rains or floods;
3. The placing of earthwork in the building of new groins;
4. The placing of revetments along levees where material is unstable or flow conditions so require;
5. The performance of earthwork within or along the sides of the pilot channel where sand bars or islands may form or hard material be encountered or side erosion occur;
6. The placing of revetments along the sides of the pilot channel to prevent erosion;
7. The smoothing of the floodway floor wherever floods may so deposit material as to form obstruction to uniform flow;
8. And as to the structures, their enlargement if needed, the painting of wood and metal work and the replacement of worn or broken parts.

D. That inasmuch as Article XI of the Convention provides that the International Boundary Commission is charged with the maintenance and preservation of the rectified channel, and requires that to this end the Commission shall submit, for the approval of both governments, the regulations that should be issued to make effective such maintenance, there are hereby submitted for adoption the following:

RULES AND REGULATIONS

1. The International Boundary Commission shall keep the floodway clear of vegetation. The United States Section shall be responsible for and perform the labor required on the portion comprised between the pilot channel and the left or northerly levee, and the Mexican Section shall be responsible for and perform the labor required on the portion comprised between the pilot channel and the right or southerly levee. The ex-

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penses of clearing shall be borne respectively by each Section.

II. The International Boundary Commission shall maintain the pilot channel reasonably parallel to the rectification levees, preventing the formation of sharp curves. Each Section of the International Boundary Commission shall bear half the cost of these works.

III. The United States Section of the International Boundary Commission shall maintain at its cost the left or northerly rectification levee to the established grade, but shall have the right to increase the levee section on the land side. The Mexican Section of the International Boundary Commission shall maintain at its cost the right or southerly rectification levee to the established grade, but shall have the right to increase the levee section on the land side.

IV. The structures located in, on or across the floodway shall be maintained in good condition by work performed jointly by the International Boundary Commission, and half the cost thereof shall be borne by each Section.

V. The structures located in the levees shall be maintained in good serviceable condition. The United States Section of the International Boundary Commission shall carry out at its cost the work relating to the structures located in the left or northerly levee, and the Mexican Section of the International Boundary Commission shall carry out at its cost the work relating to the structures located in the right or southerly levee.

VI. No structure of any kind shall be constructed nor shall any works be performed within the floodway between the two levees that may interfere with the proper functioning of the floodway.

VII. The United States Section of the International Boundary Commission shall be the sole agency which may issue

permits for any and all structures or works which may be constructed within that part of the right of way located north of the middle of the deepest channel of the river, and the Mexican Section of the International Boundary Commission shall be the sole agency which may issue permits for any and all structures or works which may be constructed within that part of the right of way located south of the middle of the deepest channel of the river, in accordance with Article VIII of the Convention of 1933.

VIII. Inasmuch as the joint work to be performed may require the accomplishment by one Section of the International Boundary Commission of maintenance and repairs within the national territory of the other Section, it is hereby provided that when one of the two Sections performs work within the national territory of the other, such work will be carried on by the performing Section's own personnel in the same manner and under the same regulations as though the works were being performed within the national territory of the Section doing the work. The crossing of duly authorized and identified personnel of each Section, for the accomplishment of maintenance and repair work, shall be facilitated by informal arrangements with the respective authorities of the two countries.

IX. In order to afford greater flexibility and economy in the work of maintenance and repairs, the performance of a part of the work herein allocated to one Section of the International Boundary Commission may be exchanged for the performance of an equal amount of the work allocated to the other Section, by means of informal agreements of the Commissioners.

X. Periodical inspection of the works, at least semiannually, shall be made by the Consulting Engineers of the two Sections, who shall submit joint reports to the Commission on the condition of the constructed works and the routine work being accomplished, including recommendations as to any other work that should be performed.

XI. Lists of all materials, implements, equipment, and supplies intended for the rectification works, and which as provided in the Convention are exempt from import duties when passing from one country to the other, shall be prepared in each case. Such lists shall be approved by the Commissioners before the goods may be transported across the boundary.

E. That the International Boundary Commission shall submit, for the approval of both governments, such further regulations as may in the future be found to be required for the effective carrying out of the maintenance and preservation of the Rio Grande Rectification Project.

F. That the rules and regulations herein set forth shall become of effect immediately upon the approval of both

governments being communicated to this Commission, or effective one month from the time of execution of this Minute in the event neither government shall have within such period disapproved this Minute.

The Commission then adjourned.

L. M. LAWSON,

Commissioner of the United States.

J. PEDRERO CORDOVA,

Commissioner of Mexico.

M. B. MOORE,

Secretary of the United States Section.

J. HERNANDEZ OJEDA,

Secretary of the Mexican Section.

[Here follows, in the document as filed with the Division of the Federal Register, The National Archives, the Spanish text of the rules and regulations.]

[F. R. Doc. 38-2799; Filed, September 23, 1938; 10:05 a. m.]

TITLE 24—HOUSING CREDIT

FEDERAL HOUSING ADMINISTRATION

REGULATIONS GOVERNING TRANSACTIONS AND OPERATIONS IN FEDERAL HOUSING ADMINISTRATION MUTUAL MORTGAGE INSURANCE FUND AND HOUSING INSURANCE FUND DEBENTURES

Pursuant to the authority conferred upon the Federal Housing Administrator (hereinafter referred to as the Administrator) by the National Housing Act, approved June 27, 1934 (48 Stat. 1246 U. S. C. Title 12 Sec. 1702 et seq.), as amended, the following regulations governing the issuance of Federal Housing Administration Mutual Mortgage Insurance Fund and Housing Insurance Fund Debentures, guaranteed as to principal and interest by the United States (hereinafter referred to as debentures), including interim certificates issued in lieu thereof, issued by the Administrator to insured mortgagees in exchange for mortgages and property transferred to the Administrator in accordance with the terms of the Act, as amended, and the regulations prescribed thereunder; the payment of interest thereon; the granting of relief on account of the loss, theft, destruction, mutilation or defacement of the debentures; and other transactions and operations therein, are hereby promulgated.

1. *Form of debentures.*—The debentures shall be issued in series of each of the four classes required under the provisions of Title II of the National Housing Act, as amended, in registered form only and in denominations of \$50, \$100, \$500, \$1,000, \$5,000 and \$10,000, subject to such changes as the Administrator may determine. Amounts less than \$50 will be adjusted and paid in cash. The debentures shall be issued in the name of the Mutual Mortgage Insurance Fund, or the Housing Insurance Fund, as the case may be, signed by the Federal Housing Administrator by facsimile signature,

and the seal of the Federal Housing Administration shall be affixed. The principal and interest shall be payable, when due, at the Treasury Department, Washington, D. C., or at any government agency or agencies in the United States which the Secretary of the Treasury may from time to time designate for that purpose. The principal and interest shall be payable to the registered owner, whose name will be inscribed thereon, or registered assigns. Definitive debentures will be fully transferable, and those of the same class and series and having the same maturity date will be freely interchangeable as between the various authorized denominations. Interim certificates now outstanding are fully transferable and except for those in amounts less than \$50 (which will be purchased for cash) may be exchanged for debentures of a like face amount in the same series, in any authorized denomination or denominations. No denominational exchanges will be permitted as between interim certificates. Unless otherwise provided by specific reference or plain context, the term "debentures" as herein used will be deemed to include interim certificates.

2. *Transactions and operations.*—The United States Treasury Department will act as agent for the Administrator in connection with the transactions and operations hereunder. The general regulations of the United States Treasury Department now or hereafter in force governing transactions and operations in United States registered bonds, and the payment of interest thereon, are hereby adopted, so far as applicable, as the regulations of the Administrator for similar transactions and operations in debentures, and the payment of interest thereon.

3. *Relief on account of lost, stolen, destroyed, mutilated or defaced debentures.*—The statutes of the United States and the regulations of the Treasury Department now or hereafter in force, governing relief on account of the loss, theft, destruction, mutilation or defacement of United States securities, so far as applicable and as necessarily modified to relate to debentures, are hereby adopted as the regulations of the Administrator for the issuance of substitute debentures or the payment of lost, stolen, destroyed, mutilated or defaced debentures.

4. *Redemption prior to maturity.*—Debentures of any series, if so provided in the text thereof, may be redeemed at the option of the Federal Housing Administrator, with the approval of the Secretary of the Treasury, in whole or in part, at par and accrued interest, on any interest day or days on three months' notice of redemption given in such manner as the Administrator shall prescribe. In case of partial redemption, the debentures to be redeemed will be determined by such method as may be prescribed by the Administrator.

5. *Administration.*—The Secretary of the Treasury or the Acting Secretary of

the Treasury is hereby authorized and empowered, on behalf of the Administrator, to administer the regulations governing any transactions and operations in debentures, to do all things necessary to conduct such transactions and operations, and to delegate such authority at his discretion to other officers, employees, and agents of the United States Treasury Department. The Secretary, the Under Secretary, or any Assistant Secretary of the Treasury acting by direction of the Secretary, is hereby authorized to waive any such regulation on behalf of the Administrator at his discretion in any particular case where a similar regulation of the Treasury Department with respect to United States bonds or interest thereon would be waived.

6. *Amendments.*—The Administrator reserves the right at any time or from time to time, with the approval of the Secretary of the Treasury, to revoke or amend these regulations or to prescribe and issue supplemental or amendatory rules and regulations governing debentures or interest thereon.

STEWART McDONALD,
Federal Housing Administrator.

Approved, September 20, 1938.

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

[F. R. Doc. 38-2801; Filed, September 23, 1938; 12:28 p. m.]

TITLE 25—INDIANS

OFFICE OF INDIAN AFFAIRS

REGULATIONS GOVERNING LOANS TO INDIANS FROM REIMBURSABLE FUNDS UNDER THE ACT OF MAY 9, 1938

Sections 16.321 to 16.350 of these regulations are issued under the general authority contained in the act of May 9, 1938 (52 Stat. 302). These regulations shall supersede the reimbursable regulations approved June 29, 1927, as modified and shall also be applicable to loans from reimbursable appropriations for the same purposes for which regulations have not heretofore been issued, or for which exemption is not provided for in section 16.322 hereof. These regulations shall be effective from the date of their approval.

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Sec. 16.321 *Definitions.*—Except as otherwise indicated "Secretary" refers to the Secretary of the Interior; "Commissioner" to the Commissioner of Indian Affairs; "superintendent" to the superintendent or other administrative officer in charge of the jurisdiction where the borrower resides, or under whom he has been placed for administrative purposes; "tribe" to any band, pueblo, or group of Indians residing on one reservation, having a form of organization recognized by the Commissioner; "cooperative association" to a group of Indians, determined by the superintendent to be individually eligible for loans, organized under written articles of association and bylaws approved by the Commissioner; "productive" to that which is deemed capable of producing an income sufficient to cover operating expenses and to repay the loan within the terms of the loan agreement; "nonrecoverable goods" to those which are consumed by the enterprise, such as seed, feed, and machinery and building repairs; "recoverable goods" to those which are not used up in the enterprise and which may be looked to as continuing security for the loan; "loan agreement" collectively to all papers, including securing instruments, notes, or modifications, and all other papers which affect the contract; "commercial enterprises" to nonagricultural productive enterprises; "industry among Indians funds" to appropriations made by Congress out of public funds in the United States Treasury; "tribal industrial assistance funds" to appropriations made by Congress out of tribal funds in the United States Treasury (52 Stat. 302).

Sec. 16.322 *Use of industrial assistance funds by incorporated tribes.*—Tribal industrial assistance funds and all accruals thereto belonging to a tribe incorporated under the act of June 18, 1934, may be used only for advances to the tribal corporation, for use under regulations governing loans to Indian chartered corporations approved by the Secretary March 11, 1936, and modifications and amendments thereto (See Part

16.1 to 16.49, inclusive, this Title). The sections of these regulations following hereafter, therefore, are not applicable to the use of tribal industrial assistance funds of incorporated tribes. All advances of these funds shall be deposited immediately upon receipt thereof in depositories designated in the applications, if approved by the Commissioner, or such other depositories as shall be designated by the said Commissioner. No carrying charge shall be made to the Government on such funds (52 Stat. 302).

Sec. 16.323 Applicability of the remaining sections of the regulations to loans to individuals, cooperative associations, and unincorporated tribes.—All the remaining sections of these regulations shall apply to individual, cooperative associations, and tribal loans unless the provisions therein apply specifically to an individual, cooperative association, or tribal loan (52 Stat. 302).

Sec. 16.324 Major objective and general loan policies.—The major objective in the use of these funds is to assist Indians to become permanently self-supporting. Preference, therefore, shall be given loan applications for productive enterprises. Recommendations and decisions on loans shall be based on sound credit principles. Nonproductive loans shall be made only when the urgency of the need and the security offered fully justify such action (52 Stat. 302).

Sec. 16.325 Eligibility of borrowers.—Eligibility of borrowers shall be governed by the following:

(a) *Eligibility of individuals.*—

(1) To be eligible for a loan from industry among Indians funds, an individual must be (i) an Indian whose name appears on the official tribal rolls, (ii) an Indian of one-fourth or more Indian blood who has been continuously residing on the reservation, or (iii) an Indian of one-half or more Indian blood who offers acceptable evidence of the degree of blood and who has not been continuously residing on the reservation but has resumed residence with the intention of making that his permanent home.

(2) To be eligible for a loan from tribal industrial assistance funds an individual must be a member of the tribe. Tribes may prescribe additional requirements regarding eligibility for loans from such tribal funds.

(3) Regular employees of the Government may not obtain loans.

(4) Without specific authority from the Commissioner, a loan shall not be made to an Indian who is (i) not residing within the boundaries of the reservation or on trust allotted or tribal land in convenient proximity to the reservation, (ii) a minor, (iii) an Indian who is employed intermittently by the Government, (iv) married to and living with a person already a borrower, unless their loans are consolidated, (v) married to a white man, (vi) addicted to the use of liquor, (vii) able to finance his

plans from his own funds, (viii) so situated that he should be able to obtain the necessary credit from other sources.

(b) *Eligibility of cooperative associations.*—To be eligible for a loan a cooperative association must have a form of organization, financial structure, and plan of operation and management acceptable to the Commissioner.

(c) *Eligibility of tribes.*—To be eligible for a loan from industry among Indians funds or an advance from tribal industrial assistance funds, a tribe must have a form of organization and plan of operation and management of the enterprise for which the loan is requested acceptable to the Commissioner (52 Stat. 302).

Sec. 16.326 Purposes.—The purposes for which loans may be made are as follows:

(a) *From industry among Indians funds.*—

(1) Loans may be granted individual Indians, tribes, and cooperative associations for the purchase of seeds, animals, machinery, tools, implements, and other equipment necessary for encouraging industry and self-support.

(2) Loans may be granted Indians having irrigable trust allotments for the development and cultivation thereof, with approval of the Commissioner.

(3) Loans for support may be granted old, indigent, or disabled Indian allottees having trust lands, with the approval of the Commissioner. Such loans shall remain a charge and lien against the lands until paid. The amount advanced in any one fiscal year shall not exceed \$300.

(4) Loans to old and disabled Indians may also be made for recoverable goods which will effect a reduction in the need for relief or further loans for support, provided income may reasonably be expected to accrue to such Indian accounts from their lands in an amount sufficient to liquidate the loan within five years and such income is assigned for this purpose.

(5) Loans may be made to worthy Indian youths in accordance with regulations approved July 14, 1936 (See Part 22.60 to 22.79, inclusive, this Title), to enable them to take educational courses, including courses in nursing, home economics, forestry, agriculture, animal husbandry, and other industrial subjects in colleges, universities, or other institutions.

(6) Loans may be made to cooperative associations for the establishment and operation of productive enterprises, if approved by the Commissioner.

(7) Loans may be made from industry among Indians funds to unincorporated tribes for the establishment and operation of tribal enterprises, if approved by the Commissioner.

(b) *From tribal industrial assistance funds.*—

(1) Loans may be granted individual Indians and cooperative associations for

the purchase of seeds, animals, machinery, tools, implements, building materials, and other equipment and supplies necessary for encouraging industry and self-support among Indians.

(2) With approval of the Commissioner, loans may be granted Indians having irrigable trust allotments for the development and cultivation thereof.

(3) With approval of the Commissioner, loans for support may be granted old, disabled, and indigent Indians for their support, provided they have trust land against which such loans shall remain a charge and lien until paid. The amount advanced in one fiscal year shall not exceed \$300.

(4) Loans to old and disabled Indians may also be made for recoverable goods which will effect a reduction in the need for relief or further loans for support, provided that income may reasonably be expected to accrue to the accounts of such Indians from their land or other sources in an amount sufficient to liquidate the loan within five years and such income is assigned for this purpose.

(5) Advances may be made for burial expenses on agreements signed by a majority of the apparent heirs of the decedent, provided income will accrue to the estate within five years from which repayment will be made.

(6) Loans may be made to worthy Indian youths in accordance with regulations approved July 14, 1936 (See Part 22.60 to 22.79, inclusive, this Title), to enable them to take educational courses, including courses in nursing, home economics, forestry, agriculture, animal husbandry, and other industrial subjects in colleges, universities, or other institutions.

(7) Tribal industrial assistance funds or other applicable tribal funds may be used for the establishment and operation of tribal productive enterprises when proposed by Indian tribes and approved by the Secretary, provided revenues therefrom, to the extent of the amount advanced, are covered into the Treasury to the credit of the respective tribal industrial assistance fund.

(8) Loans may be made for the construction of permanent improvements if applied for in connection with productive enterprises which are capable of producing sufficient income for repayment. In such cases the loans shall be considered as productive loans. If requests for loans for the construction of permanent improvements are not applied for in connection with productive enterprises they shall be considered as nonproductive and shall meet the repayment and security requirements prescribed for nonproductive loans.

(9) Loans may be made to cooperative associations for the establishment and operation of productive enterprises, if approved by the Commissioner (52 Stat. 302).

Sec. 16.327 Applications and plans for loans.—Applications for loans and plans for the use of the funds shall be pre-

sented in accordance with instructions or on forms prescribed by the Commissioner (52 Stat. 302).

Sec. 16.328 Size of loan.—No loan shall be granted for less than \$25. Without approval of the Commissioner, loans not otherwise requiring his approval may not be made to any individual, family, or cooperative association, whose aggregate indebtedness to the United States will exceed \$1,000; provided, that loans for nonproductive purposes shall not exceed 50 percent of the value of the applicant's trust land, plus 20 percent of the value of the improvements thereon (52 Stat. 302).

Sec. 16.329 Maturity.—Loans to individual Indians, unincorporated tribes, and cooperative associations shall be made for the shortest period consistent with the purpose thereof and the ability of the borrower to repay. Repayment terms of loans shall be as follows:

(a) *Loans for productive purposes.*—Repayment terms of loans for productive purposes shall provide that advances for recoverable goods shall be repaid within five years and advances for nonrecoverable goods within one year.

(b) *Loans for nonproductive purposes.*—Repayment terms of loans for nonproductive purposes shall provide that advances for burial purposes, construction of permanent improvements, and recoverable goods be repaid within five years. When nonproductive loans include advances for support, the repayment terms for such advances shall be provided for at the time income is expected to accrue. The borrowers shall agree that any income accruing to their credit in excess of subsistence needs shall be applied on the indebtedness. In any case, the indebtedness shall remain a charge and lien against their land until paid.

(c) *Loans for the improvement of irrigable allotments.*—Repayment terms of loans for the development of irrigable allotments shall provide that advances for nonrecoverable goods shall be repaid within one year, advances for recoverable goods within five years, and advances for leveling and subjugating the land and for the construction of permanent improvements within 20 years.

(d) *Limitation on extension of repayment terms.*—When an account for other than support is not paid in full within the prescribed period, no formal extension can be granted and the account must be liquidated as soon as practicable (52 Stat. 302).

Sec. 16.330 Interest.—The interest rate charged borrowers on all loans except those for support of old, disabled, or indigent Indians and for burial expenses, shall be 3 percent per annum, payable annually. Interest may be charged on loans from tribal industrial assistance funds for support and burial expenses if such action is requested by the author-

ized governing body of the tribe having such funds. No interest shall be charged a tribe for advances from tribal industrial assistance funds for the development and operation of tribal enterprises (52 Stat. 302).

Sec. 16.331 Security.—Security for loans shall be as follows:

(a) *Provisions which apply to all loans.*—

(1) Agreements with borrowers shall provide that the debt shall be a charge and lien against the income from trust land, if there be any, and any other trust income of the borrower until paid.

(2) Title to recoverable goods purchased with loan funds and any issue therefrom shall be taken in and shall remain in the name of the United States until full payment is made therefor, except as otherwise provided for in these regulations.

(3) Permanent improvements shall not be considered a part of the realty until the loan with which they were constructed has been paid in full.

(4) Inspection of property offered as security, search of records, bills of sales, filing of securing instruments, and releases and satisfactions of mortgages, shall be made in accordance with instructions of the Commissioner.

(5) All livestock and issue therefrom, and other purchases with borrowed funds of recoverable goods in excess of \$25, and trust property given as security for loans, shall be branded or marked with the letters "I D" to make identification permanently possible. In addition, livestock shall be marked or branded with the mark or brand of the borrower.

(b) *Amount of security for productive loans.*—

(1) All possible security up to an adequate amount shall be required.

(2) Full security shall be required on loans for enterprises not located within or adjacent to the reservation.

(3) Partially secured or unsecured loans may be granted for productive purposes if the integrity and ability of the borrower as shown by past performance, and the feasibility of the enterprise give assurance that the undertaking will be successful and the loan repaid, provided, in addition, that at least 80 percent of the borrowed funds are invested in recoverable goods.

(c) *Kind of additional security for productive loans.*—

(1) Other security for productive loans may consist of (i) mortgages on personal property, trust or nontrust, owned wholly or in part by the borrower or co-signer; (ii) crop liens, and agreements to execute new crop liens, so as to have a valid crop lien as prescribed by the State law in effect during the period of the loan; (iii) assignment of lease rentals or other income with au-

thority to lease land; (iv) assignment of wages; (v) or other suitable collateral.

(2) Mortgages on nontrust and unrestricted real estate may be taken as security for any productive loan.

(d) *Additional provisions which apply only to loans to individuals.*—

(1) The amount and kind of security for nonproductive loans to individuals shall be determined by the following:

(i) Loans to old, disabled, or indigent Indians must be secured by trust land and may not exceed 50 percent of the value of such land, plus 20 percent of the value of the permanent improvements thereon; such loans shall remain a charge and lien against the land until paid. If available, additional security should be taken. Such security might consist of any of that described in (c) of this section. (ii) Loans from tribal industrial assistance funds for burial expenses shall be secured by income accruing to the credit of the estate of the deceased. The loans shall not exceed the amount of income which will accrue for repayment within five years.

(2) In the case of a loan to a married person, if his or her spouse is an Indian, the application must be made jointly by both parties. If the spouse is not an Indian, or in case of loans from tribal industrial assistance funds, if the spouse is not a member of the tribe, he or she should not sign the application, but shall be required to endorse securing documents, if they are living together and share in the enterprise.

(3) If the recognized governing body of the tribe so requests, loan agreements involving tribal industrial assistance funds shall provide for an agreement on the part of the borrowers that, in case of default, the title of such trust or restricted land as shall be set forth in the agreements shall be transferred to the United States in trust for the tribe with approval of the Secretary (52 Stat. 302).

Sec. 16.332 Transfer of title to borrowers.—Upon satisfaction of their indebtedness to the United States, borrowers shall receive from the superintendent title to the recoverable goods acquired by them under their loan agreements. In any case where it would appear to be to the detriment of a borrower to receive unrestricted title to the property, the superintendent shall submit the case with his recommendations to the Commissioner for action (52 Stat. 302).

Sec. 16.333 Application of trust funds and property in case of default.—Each borrower shall be required to agree that if he fails to make repayments when due, to use borrowed funds in keeping with the loan agreement as originally approved, or amended, to make every honest effort to continue operations in a businesslike manner, or to take proper care of the property purchased with the borrowed funds or given as security for the loan, the superintendent may:

(a) Declare, after notice in writing of five days to the borrower, the entire amount advanced immediately due and payable;

(b) Discontinue any further advances of funds contemplated by the loan agreement;

(c) Apply as a set off against his indebtedness any trust funds to his credit, or any moneys due him from the United States from any source.

(d) Take possession of any and all trust property purchased with the loan funds or given as security and dispose of it in accordance with these regulations and apply the proceeds on his indebtedness;

(e) Proceed under State laws to seize and dispose of any nontrust property given as security (52 Stat. 302).

Sec. 16.334 General authority to apply funds and property on indebtedness.—General authority is granted disbursing agents to make payment of delinquent indebtedness from individual funds by drawing an official check for the proper amount against the account of, and payable to, the debtor, who should be required to endorse the check back to the disbursing agent so that it can be applied on the indebtedness as is provided for in the loan agreement. If the payee refuses to do this the disbursing agent should retain the check and report the facts to the Indian Office for instructions (52 Stat. 302).

Sec. 16.335 Repossessed or seized property taken up on agency records.—Trust property purchased from loan funds or given as security, repossessed or seized from a borrower, shall be taken up on the property records of the agency at its appraised value and dropped upon completion of the sale thereof (52 Stat. 302).

Sec. 16.336 Disposition of repossessed or seized trust property.—Repossessed or seized property may be disposed of as follows:

(a) *By sale to Indians.*—When property purchased with loan funds or given as security is repossessed or seized, the superintendent shall appoint three persons, one a Government employee, one selected by the debtor, if he so desires, and the third, entirely disinterested, to appraise the property, which appraisal shall be the price charged against the Indian to whom it is subsequently sold, unless authority to sell at a lower price is authorized by the Commissioner or in accordance with instructions which may be issued by him. The Indian from whom the property was repossessed shall be given retaken credit on his account for the amount of the appraisal; if any balance remains unpaid the superintendent shall take all possible steps to collect the balance due on the agreement. The resale may be either for cash or under a new loan agreement which shall be handled as any other loan.

(b) *By sale to other than Indians.*—When repossessed or seized trust prop-

erty cannot be sold to an Indian as provided above it shall be sold by public auction or under sealed bids in accordance with instructions of the Commissioner. Receipts from the sale of such property shall be taken up on an official receipt and so much thereof as may be necessary indicated for credit to the appropriate receipt account or tribal appropriation account and as a credit on the particular agreement. The balance, if any, may be credited to the individual Indian money account of the debtor (52 Stat. 302).

Sec. 16.337 Receipts from the sale of nontrust property.—Receipts from the sale of nontrust property shall be taken up on an official receipt and so much thereof as may be necessary indicated for credit to the appropriate receipt account or tribal appropriation account, and as a credit on the particular agreement. The balance, if any, shall be credited to the individual Indian money account of the borrower (52 Stat. 302).

Sec. 16.338 Transfer of property under loan agreements.—Upon mutual agreement of the superintendent, borrower, and prospective borrower, the superintendent may sell property purchased with loan funds or given as security, to the prospective borrower, by taking up the property on the agency property records, crediting the borrower for the appraised value of the property so taken up and preparing a new loan agreement with the new borrower (52 Stat. 302).

Sec. 16.339 Reports of repossessions, seizures, dispositions and transfers of property.—Reports of repossessions, seizures, dispositions and transfers of property shall be immediately reported in accordance with instructions of the Commissioner (52 Stat. 302).

Sec. 16.340 Property of deceased borrowers.—The superintendent shall take all possible steps to safeguard and protect the property of deceased borrowers who are indebted to the United States until the obligations are liquidated or acceptable arrangements made with the heirs of the decedents for liquidation of the debts in accordance with the terms prescribed in the regulations. Preference shall be given to the kind of settlement which will provide the most rapid ultimate liquidation of deceased borrowers' accounts (52 Stat. 302).

Sec. 16.341 Reports from borrowers.—Borrowers shall agree to submit reports required by the Commissioner (52 Stat. 302).

Sec. 16.342 Restrictions on assignments, discounting and borrowing.—Borrowers shall agree not to rediscount, assign, pledge, or otherwise encumber any of their property in which the Government has an interest without the Commissioner's approval or that of his authorized representative (52 Stat. 302).

Sec. 16.343 Insurance.—Borrowers shall agree to insure any property purchased with loan funds or given as security against loss by fire or any other cause as shall be prescribed by the super-

intendent. Funds for the payment of the premiums during the period of the loan may be included in the amount of the loans (52 Stat. 302).

Sec. 16.344 Deposit of funds advanced under loan agreements.—Individual borrowers, cooperative associations, and unincorporated tribes shall agree that the funds advanced under any loan agreement shall be deposited to their credit in their individual Indian money accounts for use only under the terms of their loan agreements (52 Stat. 302).

Sec. 16.345 Procedure for handling loans.—Where not otherwise provided for in these regulations, action on applications, completion of loan agreements, modifications and extensions of loan agreements, and other procedures in connection with handling loans shall be in accordance with instructions of the Commissioner; provided that requests from tribes for advances from tribal industrial assistance funds for the establishment and operation of tribal enterprises shall be approved by the Secretary (52 Stat. 302).

Sec. 16.346 Accounts and records.—Accounts and records shall be maintained in accordance with instructions of the Commissioner (52 Stat. 302).

Sec. 16.347 Reports.—Annual reports or such special reports as may be required by the Commissioner shall be submitted in accordance with his instructions (52 Stat. 302).

Sec. 16.348 Allotment, advance, and expenditure of funds.—Procedures for making allotment, advance, and expenditure of funds not covered by existing applicable regulations shall be handled in accordance with instructions of the Commissioner, provided allotments from tribal industrial assistance funds are requested by the tribe or its recognized officials (52 Stat. 302).

Sec. 16.349 Collections.—When a collection is made the superintendent shall issue an official receipt and take the amount into his accounts in the usual manner for deposit later to the credit of the United States as a repayment for credit to the appropriate receipt account or as a repayment to the tribal appropriation account. Collections on loans shall be credited first to interest, which must be shown as a separate item on the receipt. Sufficient information shall be given to show clearly the loan and fund to which each collection applies (52 Stat. 302).

Sec. 16.350 Forms.—Forms for making loans under these regulations shall be prescribed by the Commissioner (52 Stat. 302).

WILLIAM ZIMMERMAN, Jr.,
Commissioner.

Approved, August 22, 1938.

OSCAR L. CHAPMAN,
Assistant Secretary.

[F. R. Doc. 38-2797; Filed, September 23, 1938; 10:04 a. m.]

TITLE 26—INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE

[T. D. 4862]

ABOLISHMENT, AS OF SEPTEMBER 30, 1938, OF INFORMATION RETURNS ON FORM SS-3 UNDER TITLE VIII OF SOCIAL SECURITY ACT FOR EMPLOYEES WHO ATTAIN AGE 65 OR DIE

To Collectors of Internal Revenue and Others Concerned:

Article 403 of Regulations 91, approved November 9, 1936, relating to information returns under Title VIII of the Social Security Act for employees who attain age 65 or die, as amended by T. D. 4769, approved October 15, 1937, and T. D. 4778, approved November 23, 1937,¹ is further amended by changing the next to last sentence thereof to read as follows:

No return is required under this article for any employee whose sixty-fifth anniversary of birth occurs on or before January 2, 1937, or for any employee who dies after September 30, 1938, or whose sixty-fifth anniversary of birth occurs on or after October 2, 1938.

This Treasury Decision is prescribed under the authority contained in section 808 of the Social Security Act.

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved, September 21, 1938.

JOHN W. HANES,
Acting Secretary of the
Treasury.

[F. R. Doc. 38-2800; Filed, September 23,
1938; 11:53 a. m.]

TITLE 35—PARKS AND FORESTS

NATIONAL PARK SERVICE

MORRISTOWN NATIONAL HISTORICAL PARK

LOCAL SUBSIDIARY REGULATION

The following subsidiary regulation, issued under the authority of the Rules and Regulations approved by the Secretary of the Interior June 18, 1936 (1 F. R. 672), has been recommended by the superintendent and approved by the Acting Director of the National Park Service, and is effective immediately on all roads within the boundaries of Morristown National Historical Park:

Speed.—Speed of automobiles and other vehicles, except ambulances and Government cars on emergency trips, is limited to 30 miles per hour on straight stretches, and to 15 miles per hour on curves.

Approved, September 13, 1938.

[SEAL] A. E. DEMARAY,
Acting Director, National Park Service.

[F. R. Doc. 38-2798; Filed, September 23,
1938; 10:04 a. m.]

¹ 2 F. R. 2242, 2548 (2005, 2967 DI).

TITLE 46—SHIPPING

BUREAU OF MARINE INSPECTION
AND NAVIGATION

AMENDMENTS TO REGULATIONS FOR NUMBERING AND RECORDING UNDOCUMENTED VESSELS

Pursuant to the authority contained in section 5 of the Act of June 7, 1918 (40 Stat. 602), as amended by section 210 of the Act of August 5, 1935 (49 Stat. 526), the regulations for numbering and recording undocumented vessels, appearing in Department of Commerce Circular No. 278, Fourth Edition, dated August 24, 1935, are hereby amended to read as follows:

(1) Application for number will be made by the owner or master to the collector of customs of the district in which the owner resides. The owner will then receive full instructions as to the number awarded, how it is to be placed on the vessel, etc.

(2) This law does not amend section 14 of the Act of March 4, 1915, requiring the marking of life boats.

(3) All undocumented vessels coming within the purview of the act, that are equipped with permanently fixed engines, must be numbered whether over or under sixteen feet in length.

(4) The exemption from section 1 of the act in favor of "vessels not exceeding sixteen feet in length measured from end to end over the deck excluding sheer, temporarily equipped with detachable motors," is held to apply to such boats as rowboats and canoes, designed and intended for the use of oars or paddles as the ordinary means of propulsion; sailboats and boats designed and used solely for the purpose of racing or operation incident to preparation for racing. Other boats which are designed for the use of detachable motors as the ordinary means of propulsion are held to be subject to the act even if under sixteen feet in length.

Approved, September 22, 1938.

[SEAL] SOUTH TRIMBLE, JR.,
Acting Secretary of Commerce.

[F. R. Doc. 38-2796; Filed, September 22,
1938; 4:25 p. m.]

Notices

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 22nd day of September, A. D. 1938.

[File No. 55-4]

IN THE MATTER OF UTILITIES ELKHORN COAL COMPANY AND JAMES G. CULBERTSON

ORDER PURSUANT TO RULE U-11F-2

Utilities Elkhorn Coal Company, a subsidiary company of Utilities Power &

Light Corporation, a registered holding company, having filed application pursuant to Rule U-11F-2, promulgated under Section 11(f) of the Public Utility Holding Company Act of 1935, concerning certain payments to be made to Central Service Corporation and to James G. Culbertson in connection with the reorganization of said Utilities Elkhorn Coal Company, now pending in the District Court of the United States for the Northern District of Illinois, Eastern Division; James G. Culbertson having filed a supplemental application pursuant to said rule; Associated Investing Corporation having filed a petition for leave to intervene herein; a public hearing having been held on said applications after appropriate notice; the applicants and the petitioner having waived a trial examiner's report, submission of proposed findings of fact to the Commission or requested findings of fact by counsel for the Commission, the filing of briefs with the Commission and oral argument before the Commission, prior to the entry of Commission's findings, opinion and order herein; and Commission having considered the record in these matters and having made and filed its findings and opinion herein:

It is ordered:

(1) That the petition for leave to intervene of said Associated Investing Corporation is hereby granted insofar as the present applications are concerned.

(2) That the maximum interim allowance of fees, expenses, and remuneration which applicant Utilities Elkhorn Coal Company shall pay to applicant James G. Culbertson for services as attorney to Utilities Elkhorn Coal Company from February 8, 1938 through and including May 31, 1938, shall be \$2000, on account, together with remuneration for cash disbursements in the amount of \$222.92; and that thereafter until further order of this Commission his interim fees, expenses and remuneration are exempted from Rule U-11F-2 provided that (a) any such interim allowances to said Culbertson for services as attorney to Utilities Elkhorn Coal Company are not to exceed \$400 per month and (b) any such interim remuneration for cash disbursements is not to exceed \$100 per month, such maximum remuneration for cash disbursements to be on a cumulative basis; and that the application of Utilities Elkhorn Coal Company with respect to payments to be made to Central Service Corporation is hereby dismissed for want of jurisdiction.

(3) That the exemption from U-11F-2 with respect to payments to be made to applicant Culbertson is subject to the following additional conditions:

(a) There shall be filed with the Commission by James G. Culbertson any application for fees, expenses, or remuneration filed with the court, or of any bill for or statement of services

¹ 3 F. R. 1509 DI.

which shall be submitted to the debtor, or if no such application or bill for, or statement of, services is filed or submitted, of a statement showing the services rendered by said Culbertson and the disbursements for which remuneration is claimed.

(b) The Commission retains jurisdiction at any time to terminate the exemption hereby granted with respect to James G. Culbertson, upon notice. If

the exemption is terminated, he shall thereupon be subject to all the obligations and requirements of Rule U-11F-2 with respect to filing an application for and obtaining approval of the maximum amount of fees, expenses, and remuneration which may be allowed. Neither the interim allowances hereby approved as to the maximum amount thereof, nor the exemptions hereby granted, shall prejudice the right of James G. Culbert-

son to apply for, or the jurisdiction of the Commission over the maximum amount of any final claims for fees, expenses, or remuneration in connection with this reorganization.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 38-2802; Filed, September 23,
1938; 12:35 p. m.]